

**Amendments to the Claims:**

This listing of claims will replace all prior versions, and listings, of claims in the application:

1. (Currently amended) A communications system configured for network latency recovery, comprising:

an internet protocol network;

a calling modem coupled to the internet protocol network, the calling modem including a timer, the timer being operable to store a network latency value, the calling modem being operable to compare the network latency value to a network latency threshold, to transmit a low speed modem connection selection signal if the network latency value is greater than the network latency threshold, and to transmit a high speed modem connection selection signal if the network latency value is less than the network latency ~~threshold~~, threshold; and

an answering modem coupled to the internet protocol network, the answering modem being operable to receive the low speed modem connection signal and the high speed modem connection signal.

2. (Original) The communications system of claim 1, further comprising:

a calling facsimile terminal coupled to the calling modem; and

an answering facsimile terminal coupled to the answering modem.

3. (Currently amended) The communications system of claim 1, wherein a T.38 calling gateway includes the calling modem and ~~[[an]]~~ a T.38 answering gateway includes the answering modem.

4. (Currently amended) The communications system of claim 1, wherein the high speed modem connection ~~comprises~~ selection signal selects a V.8 modem connection.

5. (Currently amended) The communications system of claim 1, wherein the low speed modem connection ~~comprises~~ selection signal selects a Group 3 connection.

6. (Currently amended) The communications system of claim 1, wherein the high speed modem connection ~~comprises~~ selection signal selects a V.34 half-duplex connection.

7. (Original) A calling modem configured for network latency recovery comprising:

a timer to store a network latency value;

a comparison block to compare the network latency value and a network latency threshold; and

a modem connection selection block to transmit a low speed modem connection selection signal if the network latency value is less than the network latency threshold and to transmit a high speed modem connection signal if the network latency value is greater than the network latency threshold.

8. (Currently amended) The calling modem of claim 7, wherein the high speed modem connection ~~comprises~~ selection signal selects a V.8 modem connection.

9. (Currently amended) The calling modem of claim 7, wherein the low speed modem connection ~~comprises~~ selection signal selects a Group 3 connection.

10. (Currently amended) The calling modem of claim 7, wherein the high speed modem connection ~~comprises~~ selection signal selects a V.34 half-duplex connection.

11. (Currently amended) A method of handling network latency in a T.38 compatible environment, comprising the steps of:

storing a network latency value;

comparing the network latency value to a network latency threshold;

transmitting a low speed modem connection signal if the network latency value is less than the network latency threshold; and

transmitting a high speed modem connection selection signal if the network latency value is less than the network latency threshold.

12. (Original) The method of claim 11, wherein the high speed modem connection selection signal selects a V.8 modem connection.

13. (Original) The method of claim 11, wherein the low speed modem connection selection signal selects a Group 3 connection.

14. (Original) The method of claim 11, wherein the high speed modem connection selection signal selects a V.34 half-duplex connection.

Claims 15-21 (cancelled).

22. (New) A system for handling network latency, comprising:  
means for operating a high speed modem;  
means for comparing a network latency to a network latency threshold;  
means for continuing operation of the high speed modem if the network latency is less than the network latency threshold; and  
means for terminating operation of the high speed modem if the network latency is greater than the network latency threshold.

23. (New) The system of claim 22, further comprising:  
means for establishing a low speed modem connection if the network latency is greater than the network latency threshold.

24. (New) The system of claim 23, further comprising:  
means for providing a low speed modem selection signal if the network latency is greater than the network latency threshold for establishing a low speed modem connection step.

25. (New) The system of claim 23, wherein the means for establishing the low speed modem connection comprises means for establishing a Group 3 connection.

26. (New) The system of claim 22, wherein the means for operating the high speed modem comprises means for operating a V.8 modem connection.

27. (New) The system of claim 22, further comprising means for providing a high speed modem selection signal to indicate continuing operation of the high speed modem if the network latency is less than the network latency threshold.

28. (New) The system of claim 22, wherein the means for operating the high speed modem comprises means for operating a V.34 half-duplex connection.